

# Business

October 4-10, 2006

## Buy Michigan First: State Contracting 101

*(Part four of a five-part series that outlines the basics of state contracting.)*

Last week's article discussed how to find current bidding opportunities. This series has covered three big topics to date: how to register as a vendor with the State of Michigan, how to prepare for and research State contract opportunities, and how to find current solicitations to bid on.

A bit of background for those new to this Michigan Chronicle series – the State of Michigan has taken dramatic steps to level the playing field in State contracting. Gov. Granholm issued two Executive Directives that are significant to purchasing. Executive Directive 2005-3 prohibits sole source, no-bid contracts, which results in every solicitation being competitively bid. Executive Directive 2005-6, which amended 2004-3, gives a preference to Michigan firms that bid on State contracts. As a result of this Michigan business preference, 85 percent of what the state buys is purchased from Michigan firms.

According to Michigan Department of Management and Budget (DMB) director Lisa Webb Sharpe, today's purchasing culture is open, fair and transparent: "Today's contracting culture is vastly different than it was in the past. Instead of sole source, no-bid contracting, we operate in an atmosphere of full and open competition, with Michigan businesses preferred. This is a common sense, business strategy that is working for Michigan taxpayers."

The State of Michigan is a "best value" state with a centralized procurement system.

DMB handles purchasing on behalf of each state agency, managing a contract portfolio of more than 2,200 contracts that are valued at more than \$11.6 billion. As a general rule, DMB handles solicitations that are valued at \$25,000 or more, with each individual state agency having the authority to make their own purchases valued at less than \$25,000.

Companies new to state contracting should begin by registering as a vendor, which was discussed in part one of this five part series. The next step is preparation and research, which was discussed in part two of this five part series. The third step is finding opportunities to bid on, covered last week. The fourth step is crafting and submitting a competitive bid.

Michigan businesses that want to win state contract awards are advised to follow the three B's: Be Competitive, Be Complete and Be Timely. DMB senior deputy director Sean Carlson, who heads procurement for the State of Michigan, recommends an emphasis on these.

"The Buy Michigan First website provides tools to help prepare for and craft a complete and thorough bid response. Michigan companies are the most qualified, competent and competitive in the nation. When they submit solid bids, they usually win," said Carlson.

Michigan companies interested in finding resources available to help them should follow the following steps.

- Visit the Buy Michigan First website at [www.michigan.gov/BuyMichiganFirst](http://www.michigan.gov/BuyMichiganFirst).
- Link to the Procurement

Technical Assistance Centers (PTAC) website, which provide no-cost contracting assistance to Michigan firms.

- Link to the Michigan Small Business and Technology Development Centers (SBTDC), which provide no cost business consulting services for Michigan firms.

Michigan firms should continue to visit the Buy Michigan First website frequently to find current solicitations to bid on. DMB recommends book-marking the site and making a visit part of a weekly routine to avoid missed bidding opportunities.

For more information, e-mail [BuyMichiganFirst@michigan.gov](mailto:BuyMichiganFirst@michigan.gov) or call (313) 456-3609.

Upcoming bid solicitations:

- Contract for services to review, research, and gather data to ensure compliance with federal bureau of Juvenile Justice and Delinquency Prevention due Oct. 9.
- Contract for platform beds due Oct. 10.
- Contract for printing of the Michigan Airport Directory for the Department of Transportation due Oct. 26.
- Contract for services to provide data collection on juveniles in lock-up facilities statewide due Oct. 31.
- Contract for graffiti removal services due Nov. 9.

Upcoming Buy Michigan First presentations:

- "Buy Michigan First" with Rep. LaMar Lemmons at Wayne County Community College District-Eastern Campus, Friday, Oct. 20, at 9 a.m.